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UNCLAS TEL AVIV 002022

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
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COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

SIPDIS

E.O. 12958: N/A TAGS: <u>OPRC KMDR IS</u>

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

11. Mideast

12. Global War on Terror: UK Terror Attempts

Key stories in the media:

The Jerusalem Post reported that difficulty in finding 250 Fatah prisoners, who have been in jail for a long time but do not have

"blood on their hands," is the reason the cabinet was not asked on Sunday to approve the prisoner release that PM Ehud Olmert announced last week at the Sharm el-Sheikh summit. On Sunday, in another development, Ha'aretz reported that Palestinian sources told the daily that Olmert's coordinator for prisoners and MIAs, Ofer Dekel, met over the weekend with a number of senior Hamas members incarcerated in an Israeli prison. Among the prisoners were members of the senior Hamas leadership whose release Hamas is demanding in exchange for freeing Gilad Shalit.

Maariv reported that the IDF is about to start a series of wide-scale maneuvers in the Golan. The newspaper reported that Israel conveyed a message to Syria that it has no offensive intentions. Maariv cited the concern of official sources in Jerusalem that the Syrians might interpret the exercises as advanced preparations for an attack in the coming months. Maariv reported that the IAF is considering procurement of combat versions of Black Hawk helicopters.

Leading media reported that on Sunday Israel transferred USD 118 million in tax revenues to the Palestinian government, as part of a series of steps intended to bolster PA Chairman [President] Mahmoud Abbas.

On Sunday The Jerusalem Post reported that State Department officials, looking to shift US Security Coordinator Lt. Gen. Keith Dayton's work with Palestinian forces to the West Bank, have begun holding discussions with Congressional staff on how to restructure a USD 86-million funding program previously allocated to Dayton's activities in Gaza.

Media reported that on Saturday six Palestinian militants were killed in an IAF attack in the Gaza Strip. One of the dead was Mohammed al-Rai, who was responsible for firing a rocket-propelled grenade at an IDF armored personnel carrier on the Philadelphi Road in May 2004.

In its lead story, Yediot marked the first anniversary of the Second Lebanon War (according to the Hebrew calendar). On Sunday Ha'aretz reported that on Friday UN Secretary-General Ban Ki-moon expressed concern for the lives of the two abducted in Lebanon last summer.

All media reported that Finance Minister Abraham Hirchson submitted his resignation from the cabinet to clear the way for PM Olmert's expected appointment of Interior Minister Roni Bar-On as finance minister as part of a cabinet reshuffle on Wednesday. Israel Radio said that, like Hirchson, Bar-On's major qualification is his loyalty to the PM.

Leading media reported that over the weekend Izz ad-Din el-Qassam, the armed wing of Hamas, resumed firing Qassam rockets. Makor Rishon-Hatzofe reported that the group has threatened to attack any international force that enters the Gaza Strip.

Ha'aretz reported that on Sunday the cabinet approved a deal to allow four Jordanians imprisoned in Israel for killing an Israeli officer and a soldier in the Jordan Valley in 1990 to serve out sentences in Jordan.

Major media reported that on Sunday the Labor Party's Central Committee approved Defense Minister and Labor Party Chairman Ehud Barak's proposal that if Olmert did not resign after the publication of the Winograd Commission report, the Labor Party would quit the government. The media reported that the Central Committee called for elections in 2008 with Barak as the party's candidate.

Leading media (banner in Ha'aretz) reported that on Sunday senior GOI officials decided to deport refugees, mostly from Africa, who have been crossing into Israel from the Sinai Peninsula. The refugees are most likely to be deported to Egypt, which PM Olmert said was willing to accept them after assurance from President Hosni Mubarak. Ha'aretz cited human rights groups as saying that this would be a "blatant violation of international law."

Over the weekend the media reported on the latest terrorist attempts in Britain.

The Jerusalem Post reported that the heads of several American

universities will arrive in Israel today for a week of briefings by Israeli education officials, politicians, academics, and other prominent leaders.

Ha'aretz ran a feature about Magdi Allam, an Egyptian-born Italian writer and journalist, who recently published a book "whose name alone is enough to endanger his life": "Long Live Israel - From the Ideology of Death to the Civilization of Life: My Story."

The media reported that Thomas K. Mooney, the US Defense Attach in Cyprus, has been missing since Thursday.

The media continued to report and comment on the Katsav affair.

Maariv reported that American Jews are donating less to the Joint Distribution Committee and Jewish Agency and instead giving directly to Israel.

Yediot reported that the principal Israeli diplomats in the US and at UN Headquarters in New York will be the first diplomats to use hybrid-fuel vehicles. The newspaper reported that US Ambassador to the US Sallai Meridor started the initiative. Yediot quoted Foreign Ministry officials as saying that this is a symbolic gesture, which could nonetheless bring image achievements to Israel.

Maariv reported that The New York Times listed the (Israeli) Idan Raichel Project among the most important world music CDs released over the past year.

Maariv reported that Israeli security guards are providing security for Walid Jufali, a Saudi tycoon.

1. Mideast:

Summary:

Palestinian affairs correspondent Danny Rubinstein wrote in the left leaning, independent Ha'aretz: "Abu Mazen will not be able to fulfill any agreement with Israel without an arrangement with Hamas."

Shlomo Avineri, Hebrew University Professor of Political Science and former director-general of the Foreign Ministry, wrote in the conservative, independent Jerusalem Post: "If Blair tries to implement in Palestine what he and Bush failed to achieve in Iraq, he will add another failure to his record. Both he -- and more importantly, the Palestinians -- deserve better."

Block Quotes:

¶I. "Fatah Is Waiting For Israel"

Palestinian affairs correspondent Danny Rubinstein wrote in the left leaning, independent Ha'aretz (7/2): "The embarrassment and confusion in the top echelons of Fatah stem first and foremost from the clear impression that the Palestinian street favors Hamas. In light of this, there is now a situation where Fatah activists on the West Bank are waiting for Israel and the IDF to do their dirty work of repressing and eliminating Hamas in Gaza.... The loser will be Israel, which will be accused once again of crimes against the civilian population. Among the leadership of the PA, in most of the Arab regimes, and of course in Europe, America and Israel, nobody wants Hamas, whose support comes mainly from the general Palestinian public. It is clear today to every Palestinian that if Hamas is not in the game, then there is no game. Abu Mazen will not be able to fulfill any agreement with Israel without an arrangement with Hamas. Abu Mazen and the PLO, and the Arab regimes, have to get along with Hamas, and not with the 'help' of a siege, or via assassinations or starvation policies carried out by Israel."

II. "A Road Map For Mr. Blair"

Shlomo Avineri, Hebrew University Professor of Political Science and

former director-general of the Foreign Ministry, wrote in the conservative, independent Jerusalem Post (7/2): "There is one aspect of [Tony] Blair's mission statement which is new -- and in which he may get some results if he moves wisely and carefully: He is to help the Palestinians build up coherent institutions.... There is a wider context here, and Blair should learn from the Iraqi experience, where he shared President Bush's naive belief that absent Saddam, Iraqi democracy would automatically flourish.... Tony Blair would be making a colossal mistake in focusing on trying to achieve another set of elections, or another chimerical unity government (the Saudis tried this, and failed dismally). What the Palestinians need at this moment is not another futile exercise in Western-imposed democracy but assistance in putting together the building blocs of a coherent polity.... As European history as shown, before you get democracy you need a strong and efficient state.... There are no short cuts, and if Blair tries to implement in Palestine what he and Bush failed to achieve in Iraq, he will add another failure to his record. Both he -- and more importantly, the Palestinians -deserve better.'

12. Global War on Terror: UK Terror Attempts:

Summary:

The conservative, independent Jerusalem Post editorialized: "There is no escaping the overarching truth: We, the West, are under attack, and will continue to be until we not only recognize that war has been declared against us, but act decisively and collectively to win that war."

Block Quotes:

"The West at War"

The conservative, independent Jerusalem Post editorialized (7/2): "Defeating amorphous groups like al-Qaida may be difficult even if they can be deprived of state sanctuary and the growing prospect of a nuclear umbrella. But defeating them without addressing these key elements of sponsorship -- including the billions of dollars still flowing from Saudi Arabia and other countries in support of radical Islamist schools -- is not possible. However successfully they were foiled, the latest terrorist attempts against the United Kingdom demonstrate that no wide open society can hermetically seal itself off. There is no escaping the overarching truth: We, the West, are under attack, and will continue to be until we not only recognize that war has been declared against us, but act decisively and collectively to win that war."

JONES